



# Rule Up For Filing

New Section  
WAC 230-09-150

Operating a limited fund raising event.

ITEM 11 (a) on the August 11, 2006, Commission Meeting Agenda.	Statutory Authority 9.46.070
Who proposed the rule change?	
Staff.	
Proposed Change	
<p>This rule change has to do with the "cost" versus the "value" of prizes fund raising event (FRE) licensees offer during limited FREs. Licensees are required to pay fair market value for prizes, but that payment amount may not exceed ten percent of the gross revenue from the event. In the rewrite of this rule, we attempt to clarify the difference between "value" which is subjective and "cost" which is objective. The cost of an item, for example, can be verified by a receipt.</p>	
History of Rule	
<p>WAC 230-25-325(5), stated, "The <u>value</u> of all purchased prizes must not exceed ten percent of the gross revenue from the event, less the cost of the FRE equipment rental contract."</p> <p>In the newly rewritten rule, staff clarified this rule by stating that licensees must, "(e) Prevent the <u>cost</u> of all prizes from exceeding ten percent of the gross revenue of the event..."</p> <p>We are not changing the rule in any way. The rewrite merely clarifies the difference between "cost" and "value" which was unclear in the old rule.</p>	
Impact of the Proposed Change	
The change clarifies a long-standing interpretation.	
Regulatory Concerns	
None.	
Resource Impacts	
None.	
Policy Consideration	
None.	
Stakeholder Statements For the Proposed Rule Change	
None.	
Stakeholder Statements Against the Proposed Rule Change	
None.	
Licensees Directly Impacted	
Fund raising event licensees.	
Staff Recommendation	
Approval of the rule.	
Proposed Effective Date for Rule Change	
January 1, 2008.	

### **230-09-030 Operating a limited fund raising event.**

(1) Licensees must:

- (a) Make participants purchase scrip with cash; and
- (b) Exchange scrip at gambling stations for chips; and
- (c) Allow only full and regular members to make transactions of cash for scrip and maintain records during the FRE; and
- (d) Disclose the prizes offered. The costs of prizes must not exceed fair market value. The organization may advertise the prize to the public at the retail value; and
- (e) Prevent the cost of all prizes from exceeding ten percent of the gross revenue of the event; and
- (f) Comply with all other FRE rules.

(2) Licensees may allow unlimited wagering when using scrip.

[Statutory Authority: RCW 9.46.0233 and RCW 9.46.070 (11), (14) and (20).]

### **~~230-25-325 Limited fund raising event — Procedures and restrictions.~~**

~~Pursuant to RCW 9.46.0233(2), nonprofit or charitable organizations may offer *limited* fund raising events (FREs). Organizations offering *limited* FREs must operate the FRE under the following operational procedures:~~

#### **~~Operating procedures.~~**

~~(1) Only members of the organization and their guests shall participate in the event. The event shall not be open to the general public.~~

~~(2) Participants shall purchase scrip with cash.~~

~~(3) Scrip shall be exchanged at gambling stations for chips.~~

~~(4) Only bona fide members will be utilized for all transactions involving acceptance of cash for scrip, conducting the schemes to determine the winners of merchandise prizes, and maintaining records during the event.~~

~~(5) The value of all purchased prizes must not exceed ten percent of the gross revenue from the event, less the cost of the FRE equipment rental contract.~~

~~(6) Any prizes purchased from the FRE equipment distributor must be disclosed. The cost may not exceed the fair market value. Prizes may be disclosed to the public at the retail value.~~

~~[Statutory Authority: RCW 9.46.070. 00-15-048 (Order 387), § 230-25-325, filed 7/17/00, effective 8/17/00.]~~